

2007-2008 PERFORMANCE PLAN – Sr. Investment Officer / Global Equities (C. Wood)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	1 st Quarter Status
50%	Global Equity Performance	Return deviation in basis points relative to: Global Equity performance benchmark(GLOBLIC vs. CPERSGE2)	- 50 basis points = 0 - 10 basis points = 1.0 + 15 basis points = 1.5	- 36 basis points [2.03 - 2.39]
5%	Absolute Return Strategies	Return Deviation in basis points relative to: Program Benchmark (SNLCA1 vs. CPERHED2)	0 basis points = 0 + 50 basis points = 1.0 + 100 basis points = 1.5	- 326 basis points [(0.16) - 3.10]
2.5%	Corporate Governance External	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks. Governance funds asset weighted by invested capital. (SN6KA1 vs. CPERSECG).	+ 75 basis points = 0 + 175 basis points = 1.0 + 275 basis points = 1.5	- 388 basis points [(4.92) - (1.04)]
2.5%	Corporate Governance Internal	Excess return of CalPERS Internal Relational Portfolio compared to the Wilshire 2500 (SW8B vs. \$Y082)	0 basis points = 0 + 100 basis points = 1.0 + 200 basis points = 1.5	- 664 basis points [(4.95) - 1.69]
25%	Total Fund	Excess return in basis points relative to: Total Fund Performance Benchmark. (SJ1CA1 vs. CPERSTO2).	- 40 basis points = 0 0 basis points = 1.0 + 20 basis points = 1.5	+ 8 basis points [3.00 - 2.92]
85%	Subtotal	Quantitative Measures		

2007-2008 PERFORMANCE PLAN – Sr. Investment Officer / Global Equities (C. Wood)

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	1 st Quarter Status
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within Investment Group (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee) • CalPERS (e.g., involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) 	From Schedule	<p>On schedule.</p> <p>Encourage completion of ongoing appraisals of staff performance, as well as staff acknowledgement and recognition with ACE Awards and recognition of staff in weekly Global Equity senior staff meetings.</p> <p>Prepared and presented numerous items to the Investment and Policy Subcommittees. Working across the asset classes and External Managers regarding the restructuring of Global Equity.</p> <p>Attended the CalPERS Board of Administration and Investment Committee offsite in Petaluma, CA.</p> <p>Represented CalPERS at the International Corporate Governance Network Conference in South Africa.</p> <p>Represented CalPERS at the Council of Institutional Investors' Conference in San Diego, CA and attended the International Auditing and Assurance Standards Board & Consultative Advisory Group in London.</p> <p>Leadership has been exhibited in all areas of Corporate Governance in the accounting industry and in proxy access.</p>

2007-2008 PERFORMANCE PLAN – Sr. Investment Officer / Global Equities (C. Wood)

Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule	1 st Quarter Status
	Leadership, cont.	<ul style="list-style-type: none"> Diversity (e.g., promote meaningful diversity among our investment partners and staff) Succession Plan (e.g., training and developing strong internal candidates to potentially fill my role in the future) 		Continuously demonstrate commitment to CalPERS Diversity Policy with the allocation of emerging managers in both hedge funds and long-only managers, as well as in the area of succession planning. Recruitment and hiring of skilled staff who are diverse is always exhibited in our hiring practices.
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		

2007-2008 PERFORMANCE PLAN – Sr. Investment Officer / Global Equities (C. Wood)

INCENTIVE PLAN CHANGE TEMPLATE

Part C: Modification of Performance Measure

Recommend the Performance Measure(s) listed below be modified as indicated:

Description in Current Incentive Plan:

Weight	Factor	Performance Measure	Incentive Schedule
2.5%	Corporate Governance External	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks. Governance funds asset weighted by invested capital. (SN6KA1 vs. CPERSECG)	+ 75 basis points = 0 + 175 basis points = 1.0 + 275 basis points = 1.5
2.5%	Corporate Governance Internal	Excess return of CalPERS Internal Relational Portfolio compared to the Wilshire 2500. (SW8B vs. \$Y082)	0 basis points = 0 + 100 basis points = 1.0 + 200 basis points = 1.5

Proposed description (changes shown in **bold**):

Weight	Factor	Performance Measure	Incentive Schedule
2.5%	Corporate Governance External	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks. Governance funds asset weighted by invested capital. (SN6KA1 vs. CPERSEC2)	+ 75 basis points = 0 + 175 basis points = 1.0 + 275 basis points = 1.5
2.5%	Corporate Governance Internal	Excess return of CalPERS Internal Relational Portfolio compared to the Wilshire 2500.(SW8B vs. Y082)	0 basis points = 0 + 100 basis points = 1.0 + 200 basis points = 1.5

Reason for proposed change: Benchmark identifiers revised to correct typos.